



**First In Service, Value and Return**

March 11, 2004

Ms. Jennifer J. Johnson  
Secretary, Boards of Governors of the Federal Reserve System,  
20<sup>th</sup> Street and Constitution Avenue, N.W.  
Washington, D.C., 20551

Dear Ms. Johnson:

First Corporate Credit Union appreciates this opportunity to comment on the proposed rule amendment to Regulation CC due to the adoption of the Check Clearing for the 21<sup>st</sup> Century Act. We believe that Check21 will create greater efficiencies in the payment system and also add stability to the system because of the indirect facilitation of electronic presentment. First Corporate Credit Union will provide comment on two specific sections of the proposed rule.

First, the Board sought comment on the Section 229.54(C),(4), the reversal of interest when reversing recredit. First Corporate believes that the statute should clearly state that the financial institution has the right, at their sole discretion, to reverse interest applied to an account after a reversal of a recredit. The financial institution should not be liable to a consumer making an invalid claim for earnings on the invalid claim, and the statute should provide an expedited process for reclamation of lost earnings.

Second, the Board sought comment on the Section 229.52 (a), the creation of an ACH debit entry from a check. First Corporate believes that the language in the proposed regulation should specifically prohibit the creation and subsequent charge of an ACH debit entry from a check in the Check21 environment. The language in the proposed rule should speak clearly to the spirit and intent to protect the consumer from repetitive charges regardless of the medium used to process that charge. Financial institutions utilizing this process have a greater responsibility to the consumer and to the payment system to insure that they control the processing of payment vehicles.

First Corporate Credit Union is appreciative of the Board of Governors' initiative and through review of issues surrounding Check21. We hope that as we progress

**First Corporate Credit Union**

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towards the implementation of this legislation that there will be more opportunities to comment on the direction of the Federal Reserve System.

Regards,

A handwritten signature in black ink, appearing to read "Andrew K. Duessel", written in a cursive style.

Andrew K Duessel  
Vice President/Chief Financial Officer  
First Corporate Credit Union